



Legislation Text

File #: 14-2076, **Version:** 1

Dept/ Agency: Economic & Housing Development

Action: () Ratifying (X) Authorizing (X) Amending

Type of Service: Resolution Endorsing

Purpose: Endorsing and consenting to alteration of grant and changing the administration of the grant from Greenspaces to Newark Community Economic Development Corporation

Additional Information:

Ordinance 6PS&FA 062414 granting Tax Abatement to Three Penn Plaza Property Holdings Urban Renewal, LLC

Deferred 7R3-a (as) 010715

WHEREAS, on June 24, 2014, the Newark Municipal Council adopted Ordinance 6PS&FA 062414 granting a long term tax abatement to Three Penn Plaza Property Holdings Urban Renewal, LLC, an urban renewal entity with an address of 3 Penn Plaza East, 943-973 Raymond Blvd., Newark, NJ 07105 (the "Entity"), under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq. (the "LTTEL"), and authorizing the Mayor to sign a financial agreement between the City and the Entity (the "2014 Financial Agreement"); and

WHEREAS, the 2014 Financial Agreement includes provisions governing the terms and conditions of the long term tax abatement as required under N.J.S.A. 40A:20-9, including, among other things, provisions governing the term of the tax abatement and the payment and calculation of the annual service charge to be paid by the Entity to the City; and

WHEREAS, during the tax abatement application process, the Entity also agreed to provide the City's designated agent with a grant to be used for certain delineated purposes, including but not limited to the acquisition, design, improvement and maintenance of riverfront parks located in the vicinity of the Entity's Project; and

WHEREAS, as a matter of convenience, rather than entering into a separate grant agreement, the City and the Entity decided to include language within the 2014 Financial Agreement governing the terms and conditions of this grant; and

WHEREAS, the 2014 Financial Agreement therefore includes Section 5.09 which provides, in pertinent part, that the Entity shall provide a grant in the amount of Five Million Dollars (\$5,000,000.00) to Greenspaces (a fund of the Community Foundation of New Jersey with a principal place of business at 35 Knox Hill Road, Morristown, NJ), to act as the City's agent for certain delineated purposes, including but not limited to the acquisition, design, improvement and maintenance of riverfront parks located in the vicinity of the Entity's Project, and which further provides that alterations to the terms of this grant may be made upon mutual consent of the City and the Entity; and

WHEREAS, the City Administration and the Entity have agreed upon certain alterations to the

terms of this grant, including changing the City agent to provide that Newark Community Economic Development Corporation ("Newark CEDC") will administer these grant funds as opposed to Greenspaces and expanding the uses of these grant funds to acknowledge that grant funds may be used to fund the administration and operations of Newark CEDC; and

WHEREAS, the Municipal Council wishes to adopt this resolution in order to reflect the City's consent to these alterations to the terms and conditions of the grant and to authorize the Mayor to sign a First Amendment to the 2014 Financial Agreement memorializing these alterations.

NOW, THEREFORE BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Municipal Council of the City of Newark hereby consents to the substitution of Newark Community Economic Development Corporation as the City's agent for the grant funds to be paid by the Entity and to the expansion of the uses of these grant funds to acknowledge that grant funds may be used to fund the administration and operations of Newark CEDC.

2. The Municipal Council hereby authorizes the Mayor and/or his designee, the Director of the Department of Economic and Housing Development to sign the First Amendment to the 2014 Financial Agreement attached hereto.

3. The First Amendment to the 2014 Financial Agreement, once fully executed, shall be filed by the Director of the Department of Economic and Housing Development with the Office of the City Clerk.

4. This resolution shall take effect immediately.

STATEMENT

This resolution memorializes the City's consent to the alteration of the terms of the Five Million Dollar (\$5,000,000.00) grant that Three Penn Plaza Property Holdings Urban Renewal, LLC will provide to the City to change the City agent that will administer these grant funds from Greenspaces (a fund of the Community Foundation of New Jersey) to Newark Community Economic Development Corporation ("Newark CEDC") and to expand the uses of these grant funds to acknowledge that grant funds may be used to fund the administration and operations of Newark CEDC, and authorizes the Mayor and/or his designee, the Director of the Department of Economic and Housing Development to sign a First Amendment to the 2014 Financial Agreement reflecting these alterations to the terms of the grant.